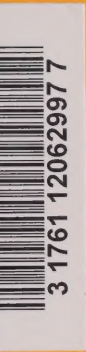


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EXHIBIT 40



**BRIEF**

to

**ROYAL COMMISSION ON COAL**

by

*Saint Francis Xavier University  
Extension Department*

Rev. Andrew Hogan

March 1960



**B R I E F**

to

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Mr. Commissioner, you have been appointed by the supreme public authority in Canada to diagnose the condition of the coal industry in Canada. Your task is not just to diagnose, but to prescribe recommendations to help revive the sick industry which has been attacked from without by the healthy viruses of relatively new competing energy sources and the ever present competition of American coal coming into Canada. Of course, as chief diagnostician we have no guarantee that your advice will be accepted or followed.

Some cynics see a Royal Commission as a dodge to sidetrack a problem. We in this end of our great country, given the number of past diagnoses, might easily succumb to this cynicism. However, we know that some good came out of the past Commissions, especially the more recent Carrol Commission of the postwar period. We know, too, of your stature in the public life of this country and are aware that we in this end of Canada, will get an eminently fair treatment as you have been wont to give on so many occasions from the "judicial bench" and in the industrial relations field.

In attempting to diagnose and possibly prescribe you will travel into every coal producing Province in our country. Your diagnosis and prescription regarding this Province will be of particular importance because not only is it the largest producer of coal in Canada but there are particular economic difficulties associated with the production and marketing of our coal. You face the immense sociological and practical social fact that so many of our people in this Province are totally dependent on coal mining as a way of living and have been for many generations. Added to these facts and because of them you find a whole Province with a "vested interest" in coal to a degree unlike any other in the Dominion.

The burden of this brief will be to try to aid your diagnosis of and prescription for this coal area and we hope that we shall be of some help to you. The major parties involved: the union as representative of the totally dependent work force; the company — representative of its shareholders; the Province — speaking for all our citizens, and the different municipalities will all, from their own point of view, try to help you. We, in the Extension Department of St. Francis Xavier, have had a long history in helping to solve some of the economic problems that the people of the Maritimes in general have had to face and our people of this area in particular. Our basic belief has always been that people come first. This recognition of "the primacy of the people" has been with us in Extension more than a much abused cliché. Therefore, what we have to say in this brief will be directly on behalf of the people of this area and will in large measure have to deal with that section of commission's terms of reference which concerns; "the economic and social consequences of cessation of mining operations in different districts". We feel that this is where we may be of some help to you. We are not coal technicians. We do not know many of the pertinent



facts which are best known to Company, Government and Union officials, and we do not wish to pose as experts in many of the technical details that are best supplied by others. Because of these things: namely our dedication to the belief of the "primacy of the people", the fact that our people have been notified by the Company that they must close three mines, and because we think that this should not be allowed to happen without compensating job opportunities in this area, we shall attempt to bring evidence to buttress our arguments that our coal mines must not be allowed to close in the immediate future under any circumstances.

The above limitations which we are placing on ourselves in this brief, does not preclude us from reminding the Government, through you, of certain historical and general economic-political observations that we think are pertinent to any real diagnosis of and prescription for our ailing coal industry of Nova Scotia. We realize that we will say little new, but we must speak out, in view of the seriousness of the situation, with the threat of closure hanging over our people like a "Sword of Damocles" and with a goodly number of proponents ready to toll the death knell of some of our finest communities; in the name of immutable economic laws, which we in this part of the country feel are mutable and man-made decisions arising out of our historical past in trying to develop a nation that we call Canada.

It is not our intention to reinvoké the "litany of our sufferings" as a result of Confederation or bring a "poor mouth" to your table, Honorable Commissioner. However, we feel that some of the more vociferous opponents of extended government subsidy to the coal industry both from within this country and "special interest groups" from without are too easily forgetting the past and even glossing over the real picture of our economy in Canada today.

It is our contention that many who say "close down the mines", "relocate the miners", have forgotten one of the main principles which ought to govern our economic development. We here are continually reminded that we have to face economic facts; that subsidies cannot continue in coal if Canada is to prosper. We could agree with that if we saw any real hope of new industries coming here and we could agree all the more if we were the only part of Canada that has and is receiving a subsidium — a help — from the Central Government.

## **I. SOME GENERAL OBSERVATIONS PERTINENT TO A DISCUSSION OF THE NOVA SCOTIA COAL PROBLEM**

A cursory survey reveals that our economic body has been and is made up of regions of different resources and of different indigenous economic capabilities: Let us look over our historical shoulders and then straight ahead into the pulsing economy of Canadian society. Let us look at the Western and Central regions of our economy. What were their great needs that they were incapable of supplying for themselves and therefore needed a subsidy, a help, from the Central Government. The Central and Western Provinces **NEEDED** and **WANTED** help in moving grain and building up central industry and commerce and they received it in full measure. The West, Ontario and Quebec received railways and canals — the canals built **WHOLLY** out of public funds, the railways heavily assisted by gifts of money and land, loans, guarantees, tax concessions and in the case of Canadian Pacific, monopoly privileges. The West also enjoyed a subsidy. A look at today's economy reveals that they still enjoy a huge subsidy in the form of the Crow's Nest Pass Agreement. Let us glance at the Central region again. It has had the healthy, long continued, **INDIRECTLY CONCEALED SUBSIDY** of the "protective tariff" which has and is working peculiar hardships on the Maritime Provinces. The Maritime Provinces do not want or need help in moving or storing wheat. They do not want or need half-a-dozen extra railways. What they want and need is **PROTECTION** for what they have and help to build their economy anew so as to become first class citizens of this country.

To say help with railways, canals, tariffs, and wheat storage — yes — but help to preserve and rebuild a Canadian industry producing a product that the Gordon Commission and almost everybody seems to predict will be needed in far greater quantities in the 1970's and 80's — no — strikes most of us in this region as sheer poppycock. We say this despite the fact that we know that this coal industry in Eastern Canada has been well helped since the 1920's to the extent of 80 to 90 millions of dollars which was largely paid to the Government-owned railroad for transportation.

We are not complaining that other parts of the country have received what they have from the National Treasury. But we do say that the Maritime Provinces deserve their share especially as they have paid their share of what has been given to the rest of the country. We know of the subsidies and tariff protection to coal and steel here. How valuable the coal tariff protection is at the present time is very debatable. We know, too, of the help of the Maritime Freight Rates Act. But if we add it all up and compare it with what other parts of the country have received, the balance, we are convinced, will still be heavily weighed against the Maritimes. We are pleading for a fair share in the national prosperity and that includes special and continuous help to the coal industry. This Province and these Maritimes have made an enormous contribution to the founding of the Canadian nation but we do not feel that we have gotten our fair share of the proceeds and many of us resent it.



We may have seemed to have veered out of your terms of reference, Honorable Commissioner, but we are convinced that there is not real diagnosis of the coal industry possible without seeing it in the context of the Maritime economy which has and is facing continually the "challenge of decline" in the framework of Canadian Federation. Certainly no worthwhile prescription for coal or any of our related industries is going to be found until some Central Government takes the "bull by the horns" and starts to plan for both private and public investment in this area of Canada. It is time that this whole area be designated by the Central Government as a "needy area" and be treated as such. We are not proposing unlimited and ad infinitum subsidies direct or indirect for uneconomic location of industry. We do believe though that until a new attitude is taken to our economic problems, vital industries like our coal and steel must be given as much help and for as long as the real problems of the area are not seriously tackled. It is not good for Canada that we should lag so far behind the Central and Western Canadian Provinces. We are asking that all economic factors, not just those that concern private firms directly should be taken into account and that non-economic factors must be taken in, given our circumstances.

We mentioned earlier that there is one principle of economic development being forgotten by the proponents of immutable economic laws when they argue the economic case against help to coal and other vital Maritime industries. The principle is fundamental and so important that it is surprising that many seem to miss it in all the talk of economic development. It is simply that economic life is not an END in itself but a MEANS to the good life. As applied to Canada it means that it is worthwhile to preserve and develop a free, independent Canadian nation even at some economic cost. This cannot, of course, mean economic self-sufficiency nor political isolationism. We recognize the interdependence of national economies and the responsibilities of Canada to the Commonwealth and all international organizations with similar social and moral goals.

When we say that our coal industry should be given "preferential treatment" over American coal we are not anti-American and we recognize some of the social and political implications of such a suggestion both as regards our relations vis-a-vis the United States and even the implications of it for coal consumers of Ontario. Despite the fact that officials of the Provincial Government claim that this present crisis occurred because of competing energy sources discovered and developed within this nation in the post war era, we think that because of the help given both the natural gas industry and the oil industry and because of the failure to tax foreign residual oil coming into the Maritimes that this now calls for a "preferred position" in our domestic market by Canadian coal in general and Nova Scotia coal in particular. This is especially true if the only alternative is to close our own mines and throw people out on the street or talk about re-locating miners who for a large part it is virtually impossible to re-locate, for reasons that we shall see below.



On this whole question of competing energy sources we must repeat that this present crisis just accentuates the really basic issue, namely: that our coal faces its severest competition from COAL produced in the United States. We know that the Province of Ontario, lying just north of the large Pennsylvania and West Virginia coal fields, has always provided a ready market for these imported coals. We know, too, that the low transportation cost due to Ontario's location together with the low production cost of American coal and the great varieties of it all tend to make it impossible for Nova Scotia coal to compete in the Ontario market without substantial federal assistance. We also realize that American bituminous coals imported into Canada are subjected to a duty of 50 cents per net ton. We do not know what this has meant "revenue wise" to the Federal Government, whether it has equalled or far surpassed the approximately 90 millions of dollars that has been given in subvention aid. However, we are aware that in certain industries where the finished product is exported to the United States, in synthetic rubber industries and in plants producing coke for metallurgical purposes, the bituminous coal used is subject to a drawback which in effect cancels the duty imposed. Moreover, we know that in 1870, three years after Confederation, the Federal Government imposed a 50 cents duty on American coal and the figure is still the same almost a hundred years later.

We can understand American interests who appeared before you asking that the duty as small as it is be taken off, but it irks us when we realize what the result of that would be for the Nova Scotia coal industry. It especially irks us since we are aware of the fact that following the end of the Reciprocity Treaty in 1866 and continuing down to the 1920's the American nation imposed a substantial duty on our coal going into the New England market. As a matter of fact, one of the great needs of the Nova Scotia coal industry is "preferential treatment" over American coal in our own Canadian market. We feel that this is just, as long as we in this end of the world have to pay such a very high price for all our durable goods from automobiles to refrigerators, all of which increases greatly our cost of living, in order that industries in the Central Provinces may be protected.

Again I repeat, we are not anti-American or anti-Central Canada but the dilemma of our situation in this Canadian economy is that we require even more so than the rest of Canada the application of two sets of policies, i.e., the free trade pattern and the complex of subsidies and supports associated with high tariffs. As long as we cannot get full market value for our natural products in the export markets, instead of the greatly reduced value, less import-tariffs as in the case of our fish and other products entering the United States, we must have special artificial measures for the preservation of existing industries if we are to be truly a part of a functioning and sound Canadian economy.

We do not know the inside "corporate make-up" of the principal importers of American coal and whether they are corporate entities which are almost identical with those which own Canadian mines, as have been suggested by some. In any case, we believe that within the limits set by the nature of the world we live in, this country and its Central Government should look after and control the destiny of its OWN people first and FOREMOST.

Honorable Commissioner, to conclude this section of the brief, may I be so bold as to remind you that "immutable economic laws" and "hard economic facts", to the contrary, the whole existence of Canada, the whole idea of having a Canadian nation at all rests on considerations which are far from purely economic. If the Fathers of Confederation had been governed primarily by economic reasons and "free enterprise" reasoning there would have been no confederation. They would have gone to Washington instead of Charlottetown if the "primacy of the economic" was their principal motivation. They wanted to preserve and bind together historic communities and unite them in a new nation and they were prepared to pay an economic price for it. That is why they built the Intercolonial Railway wholly in Canadian territory and the Canadian Pacific in like manner; and risked bankrupting the new nation to do it. That is why they adopted a protective tariff, significantly called the National Policy, to promote the industrialization of the country. From a purely economic viewpoint all these actions were silly. They make sense only in the light of a national belief that economics is not everything — that there are other and higher values that we have in this country that are worth preserving, not the least of which are such tangible assets as courage and fortitude in the face of continuous danger, which our miners possess in abundance.

I was struck by the importance of these intangible assets recently in reading a talk of yours on "The Trouble Is In Political Management" when you said:

"When we are thinking of the mass in a special sense, in the acquisition of techniques, yes there is inequality, in the acquisition of knowledge, yes, in reasoning faculties, yes, but in the moment of danger, in the moments when heroism is called for, I think you will find heroism in the masses."

Mr. Commissioner, a miner's life is constantly lived in moments of danger, and he has to be a hero, albeit unknowingly all the time. In Nova Scotia alone, approximately 1600 miners have been killed since 1900. Many thousands of others have been totally and permanently crippled or have sustained injury.

Only a romantic fool, and an ignorant one at that, would bewail the loss of backbreaking, dangerous, and sometimes poisonous drudgery and its replacement by impersonally effective machinery. But the loss of the assets mentioned above, coupled with the loss of fraternity, solidarity and comradeship of courageous accomplishments — these are all too precious and rare in our society today. If we allow their transmitters to rot and fade in the name of economics we commit an act more criminal than the spoilation of the physical landscape for personal gain. We shall have them on our “national social conscience” if we do not do everything humanly possible for them. Surely any concept of a “Responsible Society” demands that the NEEDS of our own people and the USE of our own resources come before any other consideration.

## II. SOME CONSIDERATIONS ON THE PROPOSAL OF RE-LOCATING CAPE BRETON MINERS

In this section of the brief, Honorable Commissioner, we shall focus our attention on a community of 10,000 people, totally dependent on coal mining for its existence. The community is New Waterford. What we shall say of it holds true of Glace Bay and, to a very great extent, of the mining communities on the North Side. It, just as every other community, has put many, many millions of dollars into homes, schools, churches, municipal buildings, stores, etc., and is presently planning on building a million dollar hospital. Everything in New Waterford depends on the miners working.

There is an apocryphal story told of New Waterford that would not seem to be out of place here. It seems one day a clergyman, a local lawyer, a doctor and a miner were talking in the barbershop about their varied contributions to the community. The clergyman said, "I pray for all." The lawyer commented, "I plead for all." The doctor added, "I diagnose and prescribe for all." The miner had the last word when he said, "Yes, gentlemen, but I pay for all."

There are three coal mines in or immediately adjacent to the town of New Waterford. The largest of these mines in terms of employees working is No. 16 colliery. Some two months ago we attempted to get what we thought might be helpful data for your consideration. A questionnaire was circulated to the men working at No. 16 colliery and we received six hundred and thirty replies to the questionnaire. From coal company officials at No. 16, we found that there were 1,100 on the payroll on that date. We had hoped to have a higher percentage of questionnaires returned, but we think the number sufficient as a "sample" to give you some insight into the magnitude of the social problems involved in any attempt at relocating these miners into any other part of our economy.

The questionnaire was circulated through six schools in the New Waterford area and the teachers who were well acquainted with the children and parents supervised their issuance and checked on the accuracy of the information. The "sample" is presumably biased toward men with dependents and we think to some extent against the older workers, because of the fact that they were issued through the schools.

The following is a sample of the questionnaire:

Name .....

☐ Married

☐ Single

☐ Widower

How long have you worked in the pit? .....



How many dependents at home? .....

Have you had any brothers or sons killed in a mine accident? .....

What grade did you finish in school? .....

Do you have your own home? .....

The following descriptive statistics show the result of the questionnaire:

**SIZE OF THE WORK FORCE - 1,100    SIZE OF SAMPLE - 630**

**1. MARITAL STATUS OF NO. 16 MINERS**

Percentage of married miners ..... 89.00%

Percentage of single or widowed ..... 11.00%

Standard error of the percentage ..... 1.25%

**2. NUMBER OF DEPENDENTS OF NO. 16 MINERS**

Mean (arithmetic) number of dependents ..... 4.24

Mode (value occurring most often) ..... 3.00

Median ..... 4.52

Standard error of the mean ..... 2.61

189 between 6 and 14 dependents ..... 30.00% of sample

**3. HOME OWNERSHIP OF NO. 16 MINERS**

Percent ownership of the sample ..... 70.48%

Standard error of the percentage ..... 1.82%

**4. YEARS WORKED IN COAL MINES BY NO. 16 MINERS**

Mean (arithmetic) number of years ..... 20.92 years

Median ..... 20.12 years

Mode ..... 18.52 years

**5. YEARS OF SCHOOL COMPLETED BY NO. 16 MINERS**

Mean number of years of school completed ..... 7.36 years

Median years ..... 8.13 years

Mode ..... 8.00 years

Standard deviation ..... 1.77 years

Range of standard deviation from 0 years to 14 years

192 grade six or less ..... 30.40% of sample

**6. AGES OF NO. 16 MINERS**

Mean age ..... 39.79 years

Mode ..... 39.00 years

Median ..... 41.03 years

Standard deviation ..... 10.86 years

(extreme value affecting mean)

220 — 45 to 68 years ..... 34.92% of sample

Summing up, we see the "sample" reveals that 89% of the men are married with an average of 4 dependents with 30% having 6 to 14 dependents.

Some 70% own their own homes. They have worked in the coal mines an average of 20 years and some 24% have seen 30 to 50 years service. The group sampled have an average education of grade 7 status with some 30% with grade 6 or less. Their median age is 41 with 35% between 45 and 68 years.

Thus we see the tremendous social problem involved in any attempt to relocate and retrain these miners. All of the above figures gives us an insight into the problem. In a society that has built up a "value system" that is discriminatory against hiring after 40, where would these men fit?

Where would the 35% who are between the ages of 45 and 68 fit? Those who suggest relocation as a solution explicitly and implicitly suggest a retraining program to teach them new skills. The above figures suggest the great difficulty involved from the point of view of the age factor and length of time that they have been associated with coal mining. There is not a provincial training scheme that we know of in Canada that is set to train people with grade 7 education and again, what of the 30% who have grade 6 or less?

Given these disadvantages plus the number of dependents, the amount of home ownership, the length of time working in the mines and the attachment to the communities where they established their "roots" and to which they have contributed so richly, is it any wonder that many of us see the only **SHORT-TERM SOLUTION** is to give our coal a "preferential position" in our domestic markets.

This must be done through a combination of some protection from imported coal and imported residual oil, plus substantial Government subsidy coupled with another coal cleaning plant in this area, and a continuous and vigorous sales campaign closely scrutinized and promoted by the Dominion Coal Board.

Well, Honorable Commissioner, we feel that in this section of the brief we have given you some insight into difficulties and ramifications involved in looking for a solution to the problem in terms of "relocating our miner". Before passing on to our concluding section there are three additional observations we would like to make concerning the problem of "relocation".

The first concerns a cautionary note on the future work-force needs of the coal industry here. We have no way of finding out the rate of turnover of mine employees here in recent years. Coal company

officials maintained a tight-lip policy toward us in seeking this and some other information. However, a Canadian press dispatch dated Friday, February 14, 1958 had this statement attributed to the Vice-President of District 26, United Mine Workers of America:

“although this will probably be denied, there is a dangerously high annual turnover of 7½% among mine employees.”

I am sure that you will be looking into that situation. You know the British experience of the early 1950's in this regard. My reading on this matter reveals that by 1952 the number of boys and young men in the British mines, which a generation before totalled over 150,000, had dwindled to less than 50,000. In desperation, miners wages, which had been so low as eightieth on the scale of industrial pay, were raised to the head of the list.

Amenities of many kinds were introduced by the National Coal Board. Both the miners' union and the labor government of the time urged the miners to remain in the industry. Still the exodus continued until finally “mercenaries” — foreign laborers — had to be imported to get out the coal. We know that the situation has changed again in Britain but given the “informed view” of future coal requirements in the second half of this decade and on into the 70's this aspect of the problem should be well investigated.

The second observation regarding the problem of relocation has to do with the apparent difficulty of absorbing our labor force in today's Canadian economy. The number of unemployed in the second recovery year since our third post-war recession is startling. A month ago the Canadian Press carried a dispatch quoting the reputable economist, Dr. J. O. Firestone of the Department of Trade and Commerce, to the effect that our economy would be undergoing its fourth post-war recession by 1962 and that it would be the worst of the post-war period.

The third observation is well known but bears repetition when a solution such as relocation is suggested. It is a fact that the coal miners of this area have been, with the responsible guidance of their executive officers, most patient in their wage demands during the last decade. This fact has been brought out by many and was noted by Mr. Uren, Chairman of the Dominion Coal Board, appearing before the Standing Committee on Mines, Forests and Waters in July of 1958, when he was questioned by a Cape Breton member, Mr. Muir.

Mr. Muir: . . . . . You mentioned, despite the increase in man-day production that the cost of production went up.

Mr. Uren: Yes.

Mr. Muir: What would be the explanation for that?

Mr. Uren: I wish I knew. From anything that we can see, the miners were very fine in the attitude they had taken to everybody concerned in respect of wages . . . . .

These then, Honorable Commissioner, are the reasons why we cannot see relocation as any solution to the present problem. As you will see, the economy of our mining communities are inextricably tied up with coal; and when the miners are out of work their merchants and service industries really feel the pinch. Local governing agencies, of course, are also hard hit since the shrinkage of business activity reduces tax funds to a point where they are insufficient to maintain adequate schools, welfare programs and other public services.

On the individual, level large-scale unemployment in the mines means the exhaustion of unemployment benefits; depletion of their credit union savings, which they have laboriously built up; and in many cases, total dependence on charity. Often mothers and teenagers are forced to seek jobs as waitresses or store clerks at poor wages. For the young children, it means the interruption of schooling and, in a great many instances, the end of their formal education.

For the miners, themselves, it means a life of enforced idleness and this for men accustomed to arduous work. Unemployment for them is not only an economic malady; it is a social disease. Workers without jobs and without any hope in the future become grim and desperate. We saw enough headlines here in the 30's — we don't want them again in the 60's.

These things are well known to you, Honorable Commissioner, and we do not want to labor them, but they do add to the difficulties of accepting the solution of relocation as a means of meeting the problem.

There is one further comment that we should like to make here. We have referred to our short-term solution above and have given the evidence which makes us come to that conclusion. How long a short-term is will depend on the policy decisions and practical action projects initiated by our public authorities to fill the need for what the Royal Commission in Canada's Economic Prospects called "a positive and comprehensive approach to the problems of the Atlantic region". We have made some general reference to this need in the first part of our brief. We shall be returning to it in a more specific manner presently in the concluding section of it. We are convinced that the long-term solution of our coal problem must necessarily revolve around a new concept of National Policy that will help us to do a really "bootstrap operation" in this part of Canada's economy.



### III. CONCLUDING OBSERVATIONS AND SUGGESTIONS

Mr. Commissioner, we have in the preceding section of the brief given you what we consider the only feasible solution to the difficult transitory period of the next four or five years, which we have designated as the short-term. The timing of this Royal Commission, with the fact of the serious threat of mine closures in this area, makes the questions of your recommendations regarding this transitory period of paramount importance to the people of Nova Scotia.

In this concluding section of our brief we shall make a couple of observations and suggestions that directly concern the stabilization of the Nova Scotia coal industry for the long-run period. We shall then make some further observations and suggestions regarding matters that indirectly affect the situation over the long-run period. The long-term future for our industry seems to be bright and hopeful.

From every informed source that we know of, namely: the Coal Board, the Ministers of Mines of the Canadian Provinces, the Royal Commission on Canada's Economic prospects, the officials of District 26 U. M. W. and the officials of the Dominion Coal Company, we learn that although percentage wise, coal as a source of energy will continue to decline in Canada relative to other sources, there will be a very great demand for many more millions and millions of coal than is presently consumed.

The thinking of Dosco regarding the long-term future of our Eastern Coal Industry has been well stated by Mr. C. A. Patterson, Public Relations Officer of Dosco. In an "Atlantic Advocate" article for January of this year, he has this to say:

"Mr. Fairley is most emphatically hopeful for the long-term future." (He then quotes Mr. Fairley:) "Despite the difficulties we have at the minute, the coal business is still a vital and important business to this country, and PARTICULARLY for the Province of Nova Scotia," he said. "Our sales total more than \$50 million a year and this is big business."

Mr. Patterson continued:

"The Dosco boss pins much of the hope for the future on the development of thermal power in Canada. And here Ontario looms as the biggest hope. This potential market is expected to open up within a few years and when it does Mr. Fairley hopes that the power plants will be burning Nova Scotia coal. The essence of the problem, if this is true, is to bridge the gap."

(Atlantic Advocate January, 1960, pg. 39)

The Dominion Coal Company has estimated that there would be a potential market of some four million tons for Nova Scotia coal by 1965 in the developing thermal power market of Ontario. It seems that the future of our Eastern Coal Industry is going to hinge on the maintenance of the Maritime market and the development of the Ontario thermal market. Of course, there is still going to be competition for this market from American coal and natural gas. We said in the beginning of the brief that we were not coal technicians nor did we wish to pose as experts on aspects of the coal problem best handled by others making submissions to you. However, we would like to make some comments for what they are worth regarding Nova Scotia coal and this potential Ontario thermal market. This we feel is a point where the provinces must come more prominently into the picture. Of course, the present Federal Government is in a unique position to bring the Provinces of Ontario and Nova Scotia in closer cooperation on this matter.

We know that Ontario hydro has studied the possibility of using our coal, is in fact actually now using it, to a small extent for thermal power production. There must be even closer cooperation on this matter between the Ontario Government and the Nova Scotian Government. After all, these natural resources are VESTED in the provinces. We know that the Province of Ontario will do everything possible to help their fellow Canadians of this area in return for the many cars and other products that we buy at such a price from them to help keep their economy sound. As regards the quality of our coal, the complaint about the "moisture content" of our coal vis-a-vis American coal can surely be rectified.

A series of tripartite meetings between the Federal Government, the Ontario and Nova Scotia Governments should surely iron out the difficulties involved, so that construction of some future thermal plants in Ontario could be geared to the use of our coal.

We have consistently maintained in this brief the need of "preferential treatment" of our coal against American coal. This matter of the potential market for Nova Scotia coal in the Province of Ontario is a case in point. Up to 1959 American coal supplied about 98% of the Ontario market for bituminous coal. Does any Canadian seriously think, were the situation reversed, that the United States would ever allow Canada to DOMINATE COMPLETELY A UNITED STATES DOMESTIC MARKET if an American industry was faltering as our coal industry has been.

The many thousands of people depending on the coal industry in this area must not be sacrificed on the altar of bigger profits for Canadian importers or friendly relations with the United States. We are subject to correction, but we understand that the "Buy American Act" of the United States makes it mandatory to use some type of American fuel in all public owned installations. Yet here in Canada we have the Polymer

Crown Corporation buying some 500,000 tons of West Virginian and Ohio coal yearly because it is cheaper to do so. After all, the American coal industry would still be supplying more of our domestic market than Canada produces. The Province of Ontario must come and we hope will come to the help of Nova Scotia in this matter of supplying some of its thermal power development.

There are economic difficulties and tricky political "ins and outs" to overcome on this matter, but we in this area are confident that the Federal Government can bring about the cooperation between the Ontario and Nova Scotian Government on this important question.

The next observation and suggestion that directly affects the long-run future of our coal industry concerns the necessity of GREATER RESEARCH to develop wider and diverse uses of our coal resources.

We shall be presently making some observations and suggestions that indirectly affect the coal industry and we shall be pleading that the great economic need for Nova Scotia and the rest of the Atlantic Provinces is for a diversification of industry. This implies the need of new secondary industries which are not related to our present primary resource industries such as fishing, forestry, agriculture and coal mining. There are those in Nova Scotia who put much more faith in the greater development of the primary resources that we now have than in any great growth through the attraction of new secondary industries to this area. We shall be arguing that we need both but it is possible that a more permanent basis for the industrial growth of this area will come from exploiting the full potential of our local primary resources and that includes coal.

In 1943 a Dosco geologist estimated our Nova Scotia coal reserves at 180 years. There is a tremendous challenge for a federally initiated research program right here in Nova Scotia. In making the comments about the necessity for a more developed research program for Nova Scotia, we don't want to overstep the limitations we put on ourselves at the beginning of the brief. However, we are convinced that the long-term stability of our coal industry is bound to be tied up with a more highly developed research program.

We realize that the Federal Government has put a million dollars into research during the last decade, over half of which went into an attempt to develop the coal fired gas turbine project at McGill. We do not know how much money Dosco and the Nova Scotia Research Foundation have spent on coal research, but we are aware that they, along with the Provincial Mines Department, have kept in close contact with research development in the United States and have used "samplings" of some of our coal for experimental purposes in American research centers. We realize, too, that what is physically probable is sometimes not economically possible, that research is expensive and that there has to be a reasonable hope of success before money is put into it.

Despite all these things, we venture to say that if in the long-run we are going to make use of the real potential of our coal resources we will necessarily have to spend money on a continuing basis for research into wider uses of our coal reserves. Because of the peculiar qualities of our coal we suggest that with due allowance for priority of needs and costs involved, one of the most fundamental ways that this area can be helped would be by the setting up in Nova Scotia, on a slow but sure basis, a coal research center in which a program of seeking new and better uses for coal would be continually going on. If the development of competing energy resources has any lesson for the coal industry it could be summed up in the phrase, "Seek and you shall find". The new phase of the industrial revolution of our time has been triggered by research that has made possible the many, many new goods and services of our time and has made of research itself one of our largest industries. Our long-term future in coal, we repeat, must be intimately bound up with a continuing search for new uses of this potentially great primary resource of this area.

We are now going to develop some observations and suggestions that indirectly affect the coal industry but directly affect the whole of our regional economy. We made reference in the first section of the brief to the necessity of a more "comprehensive approach" to the problems of the regional part of Canada's economy.

In the preceding paragraphs we alluded to the great need of **DIVERSIFICATION**; of developing the potential of the primary resources that we have and of attracting new secondary industries. What we shall have to say bears upon the eventual solution of the coal problem, for in the final analysis the plight of our coal communities is the plight of every region shackled to the tyranny of a single industry.

The outlook for bringing industrial diversity to our coal area seems to us bleak, but diversity there must be if we in this Province and in the Atlantic region in general, are truly to become a healthy part of the Canadian economy.

We have mentioned earlier that this Maritime region generally should be designated as a needy area, or if you will, a distressed area. These terms are, of course, relative to the rest of Canada and do not refer to our position in the world society. We have made a judgment that sometime some Central Government is going to have to take the "bull by the horns" and start planning for private and public investment in this area. There are still many people scared of that word "planning" and they are quickly ready to label anyone who uses it. We in Extension given the philosophy of "group self help", which our department has fostered since the late 1920's, should be the last one's so labelled. We know and insist that there must be much done by ourselves both in encouraging private investment in this area by our own people and by developing management and labor skills for productive efficiency. There



must be a continuous attempt and public encouragement given morally and financially to extend the "cooperative techniques" to more intense and varied development of our primary resource industries of this region. Private profit enterprise has not had a proud history in developing the resources of agriculture, forestry and fishing in this region.

If one can agree with the assumption that this is a relatively "depressed area" or "have-not area" of Canada, and every worthwhile yardstick seems to indicate it, then we submit that the problems of this "depressed area" are simply too far-reaching to be resolved by local or self-help initiative. The objective situation prompts us to take this stand even though we are prime movers of "group self-help" projects and are solid and consistent supporters of A. P. E. C.'s efforts and local industrial development councils or committees.

We mentioned that there is need of greater government planning for private and public investment in this region of Canada's economy. We realize that there is no single or simple solution of the Atlantic region. We know that our geographical economic handicaps are tied up with transportation difficulties that are associated with the difficult problem of our national freight rate structure. We are fully aware, that as the Gordon Commission put it:

"any serious attempt to raise income levels in the Atlantic Provinces will soon breakdown into consideration of a series of problems which must be dealt with separately and individually."

Yet we feel that there are some problems which deserve priority of treatment and we have argued the case for the coal industry in this regard. From our point of view, the desperate need for diversifying our economy cries out for greater planning of private and public investment for this region, which will get to the root of our problems.

Could we be so bold as to suggest a ten or fifteen year plan worked out by our Maritime Premiers and the Federal Government.

We are not so naive as not to recognize the responsibilities of the Provinces of the Atlantic region in this regard. The deep seated political and traditional differences of thinking will not be easily solved. Yet we have in recent years seen greater cooperation amongst the Premiers here in recognizing that our essential problems must be worked out on a regional basis and that if the Federal Government is going to help in this matter we must have a unified, if not identical approach. The time is too late for the problems of this region of Canada to be played politics with. We need Premiers who are statesmen first and politicians secondly

if we are going to rescue this part of Canada from economic oblivion in the overall economy. As we write these things we realize that they may sound naive, but we must emphasize this need if we are going to get the kind of help from the Federal Government that would release us from the bonds of insecurity that an inheritance of the past has left with us in form of ad hoc projects and handouts, which are a substitute for the radical surgery necessary to make this part of Canada's economic body healthy. We are not contradicting any of our thoughts expressed before about this part of the economy and the coal industry in particular. We would be prepared to see a planned closing of some mines IF it became warranted AND IF there was created over the next 15 years the diversified economy that would not spell ruin for our communities and our area and the dole for our displaced workers by their closures.

The question you may want to ask is what do we mean by "planned, public and private" investment? It is a reasonable question and we shall try to answer it. We have in mind the idea of a Capital Projects Commission suggested by the Commission on Canada's economic prospects. This, to our way of thinking, has been their great suggestion to meet our fundamental needs. This is what they suggested:

"Specifically it is suggested that the federal government should agree to contribute a fixed sum per annum for capital assistance for a term of years, on the understanding that the initiative in the actual allocation of these funds, including the determination of priorities, should come from the Atlantic Provinces themselves. Under this proposal, some kind of joint Capital Projects Commission would be established with an appropriate staff. With the advice and support of the four provincial governments concerned, this body would be responsible for examining all proposals for projects requiring capital assistance, for deciding upon priorities and, within the limits of the total amount of funds available, for submitting recommendations to the federal authorities. If some such procedure were approved, it would be important for the Joint Capital Projects Commission to work closely with the appropriate permanent officials of the four Atlantic Provinces and to consult with the governments concerned before determining priorities."

Some have argued that there is nothing new in this suggestion and they refer to capital projects sponsored by the Federal Government here such as the Canso Causeway and the Beechwood Power. In fact, however, there is a great deal of difference; both the method of capitalizing suggested by the Commission, namely, a fixed sum per annum, and the actual allocation of these funds and determination of regional priorities by a joint planning commission that would be established with appropriate staff, and which the commission calls a Capital Projects Commission.

This, to our way of thinking, is **PLANNING** in the best sense of the word. It seems analagous to us in the way that the World Bank plans for the capitalization of underdeveloped areas. It would require statesmanship of the highest kind to initiate and make real such a suggestion, but we feel that it would be of immense benefit to the Atlantic region. Within or outside the framework of such a commission the Federal Government could help plan for private investment in these regions by using specific monetary and fiscal tools to encourage industry to come here. These could be, for example, special loans provided by Ottawa at low rates of interest for new industries which are willing to establish here as has been done in Europe under "special area development legislation". Special corporate income taxation concessions could and should be worked out to attract industries here, either to develop further the resources we now have, or establish secondary industry which would, because of the nature of their produce, be not easily "gobbled up" by some large central Canadian competitor when they started to get on their feet. This has happened so often in the past here that it is no wonder we keep our tongue in our cheek at the possibility of developing a diversified economy of our own.

There are other suggestions that could be made, Honorable Commissioner, that affect indirectly the long-term outlook for the coal industry but they have been said many times. We don't want to be too pessimistic about our area but we would urge you to give full consideration to the urgency of some special action for this region of Canada to help put it on a more secure and hopeful economic foundation.

We need some form of planned area development legislation akin to the "Distribution of Industries Act" in Britain and similar legislation enacted in Western European countries. If this could be done and the suggested Capitals Projects Commission set up, then provincial organizations such as our Industrial Estates and our local development committees could be of great help.

There remains for us, Honorable Commissioner, to thank you for your indulgence in reading the foregoing. We hope that it will be of some help to you and we wish you God-speed in this onerous public duty that you have so generously accepted in your "twilight years".

May we conclude with an excerpt from a resolution adopted by the Inter-Provincial Conference of Premiers at Ottawa in June, 1926, which is as pertinent today as it was then:

"this conference, recognizing that the coal fields of the Dominion are capable of producing ample fuel for its domestic and industrial purposes, that it imports annually 15,000,000 tons of coal at a cost to our people of many millions, and that the national interests demand that the

coal industry should be stabilized and further developed to ensure the use of Canadian products, is of the opinion that the government of Canada should take immediate steps . . . . . as will enable Canadian coals to be marketed in central part of Canada, thus aiding in the development of inter-provincial trade and utilizing to the fullest possible extent one of our most important natural resources."

Very respectfully submitted  
on behalf of the  
EXTENSION DEPARTMENT  
ST. FRANCIS XAVIER UNIVERSITY  
Sydney, Nova Scotia  
March 17, 1960











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